

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, February 16, 1927 at 3:00 p.m.

PRESENT: Governor Crissinger

Mr. Platt

Mr. Hamlin

Mr. Miller

Mr. Cunningham

Mr. Noell, Asst. Secretary

Mr. McClelland, Asst. Secretary

PRESENT ALSO: Mr. Goldenweiser, Director of the  
Division of Research and Statistics.

The Governor stated that the purpose of the meeting was to discuss with Mr. Goldenweiser the draft of the Board's Annual Report to Congress covering operations for the year 1926, mimeographed and galley proof copies of which have previously been furnished to the members of the Board.

During the discussion which ensued several minor changes were made and Mr. Miller submitted a proposed substitute for a portion of the paragraph in the report dealing with credit policy during 1926.

Following the discussion, Mr. Goldenweiser was requested to revise the paragraph on credit policy and to submit it to the Board at a meeting tomorrow morning.

Mr. Goldenweiser then submitted to the Board certain data with reference to the exercise of trust powers by national banks and inquired whether there would be any objection on the part of the Board to the inclusion of this data in the Report.

Upon motion, it was voted to approve the publication of the data.

Mr. Goldenweiser then left the meeting.

The Governor presented telegrams dated February 14th and 15th, respectively, from the President of the Bank of Italy of San Francisco, and

2/16/27

-2-

the Chairman of the Federal Reserve Bank of San Francisco, both with reference to an application filed with the Federal Reserve Bank by the Bank of Italy for permission to take over the Liberty Bank of America of San Francisco and to establish 172 branches in its premises; the Chairman in his telegram stating that the application has received the approval of the State Superintendent of Banks expressly conditioned upon the approval of the Federal Reserve Board, but that owing to lack of information on which to base its judgment as to the soundness, necessity for and expedience of the consolidation, the Executive Committee of the Federal Reserve Bank is unwilling and unable to make recommendation.

The Governor reported a conversation regarding the proposed consolidation had today with Mr. L. V. Belden, one of the Vice Presidents of the Bank of Italy who is in Washington. He stated that the Bank of Italy at the present time operates 100 branches. The Liberty Bank of America, he stated, was formed recently with 135 branches through the consolidation of the Liberty Bank of San Francisco, The Bank of America, Los Angeles, The Commercial National Trust and Savings Bank, Los Angeles, The Southern Trust and Savings Bank of San Diego, The Marine Trust and Savings Bank of Long Beach, and other institutions with their branches.

Following a discussion it was moved that the application of the Bank of Italy be referred to the special committee consisting of the Governor, Vice Governor, and the Comptroller of the Currency, to which on March 3, 1926 was referred a previous preliminary application involving the Bank of Italy, The Liberty Bank, The Bank of America and the Commercial National Trust and Savings Bank.

Carried.

Telegram dated February 15th from the Chairman of the Federal Reserve Bank of San Francisco, advising of approval by the Executive Committee of that bank of an application of the Bank of Italy for permission to take over the Italian-American Bank of San Francisco, with two branches in San

2/16/27

-3-

Francisco, and to establish three branches of the Bank of Italy in the premises.

After discussion, it was voted to approve the above application, Mr. Cunningham voting "no".

Telegram dated February 15th from the Chairman of the Federal Reserve Bank of San Francisco, advising of approval by the Executive Committee of that bank of an application of the Security Trust and Savings Bank of Los Angeles for permission to establish a branch at the corner of Adams Street and Crenshaw Boulevard, Los Angeles.

After discussion, it was voted to approve the above application, Mr. Cunningham voting "no".

Telegram dated February 15th from the Chairman of the Federal Reserve Bank of San Francisco, advising of approval by the Executive Committee of that bank of applications of the Pacific Southwest Trust and Savings Bank of Los Angeles for permission to establish branches in the Sawtelle district of Los Angeles and in the vicinity of 69th Street and Western Avenue, Los Angeles; the Chairman advising that the Executive Committee at the same time voted to recommend disapproval of an application of the Pacific Southwest Trust and Savings Bank for permission to take over the Glendale Savings Bank, with its branch at Montrose, to consolidate the head office with its present Glendale branch and to establish an additional branch in the premises at Montrose.

After discussion, it was voted to approve the establishment of the two branches in Los Angeles recommended by the Executive Committee of the Federal Reserve Bank of San Francisco, Mr. Cunningham voting "no".

2/16/27

-4-

It was voted to defer action on the application of the Pacific Southwest Trust and Savings Bank for permission to take over the Glendale Savings Bank and its branch at Montrose.

Mr. Platt then reported that this morning, with representatives of one or two of the Federal Reserve banks, he attended a hearing of the proposed Federal Reserve Pension Bill before the Committee on Banking and Currency of the House of Representatives.

The meeting adjourned at 3:45 p.m.

Assistant Secretary.

Approved:

Governor.